

COMMITTEE PROCEEDINGS

The Joint Study Committee on a North Carolina Applied Furniture Technology Center met five times after the adjournment of the 2006 Regular Session of the 2005 General Assembly on July 28, 2006. *Appendix B* contains a copy of the Committee's agenda for each meeting. The Committee studied a number of issues related to the furniture industry.

EXPERIENCE OF OTHER INDUSTRY BASED CENTERS

At the first two meetings of the Committee, the Committee heard reports from representatives from other industry-based centers operated at community colleges or universities in the State. The Committee learned how the Textile Technology Center at Gaston College, the Hosiery Technology Center at Catawba Valley Community College, and the Furniture Manufacturing and Management Center at North Carolina State University support the industries with which they are associated. Each of the Centers is involved with testing initiatives and works to train workers and managers in the latest technologies in the various fields.

LOW-PROFIT LIMITED LIABILITY COMPANIES (L³CS)

The Committee heard a presentation on low-profit limited liability companies (L³CS). Low-profit limited liability companies have been proposed as a means for encouraging investment in struggling business enterprises. Under this theory, non-profit organizations that are required to spend a certain percentage of their assets each year to maintain their non-profit status would invest in L³CS that have some social purpose. If structured correctly, it is possible that the IRS could treat this investment as a program-related investment that would count towards the percentage that must be spent in order to maintain non-profit status. Because non-profits do not face the same pressures as for-profit investors, the theory holds that non-profits would be willing to accept a lower rate of return than would be required for a for-profit investor. Struggling businesses might then be able to stay in business, providing jobs to employees and other community benefits, because the pressure to produce market-rate